
The Washington City Council met in a regular session on Monday, April 14, 2014 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Allen Lewis, Public Works Director; Lynn Wingate, Tourism Director; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; Keith Hardt, Electric Utilities Director; John Rodman, Community & Cultural Resources Director and Tony Black, Washington Daily News.

Mayor Hodges called the meeting to order and Mayor Pro tem Roberson delivered the invocation.

APPROVAL OF MINUTES:

By motion of Councilman Mercer, seconded by Councilman Brooks, Council approved the minutes of March 10, 17 & 24, 2014 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges reviewed the requested amendments to the agenda:

- Add under Item X.A.B: Authorize the City Manager to sign confidentiality agreement with NCEMPA
- Add under Item XII.B. Hwy 17 Association

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the agenda as amended.

CONSENT AGENDA:

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the consent agenda as amended.

- A. Declare Surplus/Authorize – Electronic Auction of Vehicle through GovDeals (Vehicle Numbers 462 – Street Sweeper, 520 – John Deer Tractor, and 8002 – T & R Portable Bathroom)
- B. Accept/Adopt – NFL football camp grant on behalf of Terrance Copper and Adopt Budget Ordinance Amendment (\$2,500)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-14**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That account number 10-10-4310-3303, Supplies – Football Grant, Police Department portion of the General Fund appropriations budget be increased in the amount of \$2,500 to provide funds for a summer football camp.

Section 2. That the Estimated Revenues in the General Fund be increased in the amount of \$2,500 in the account Miscellaneous Revenue, account number 10-00-3839-8900.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of April, 2014.

ATTEST:

**s/ Cynthia S. Bennett
City Clerk**

**s/Mac Hodges
Mayor**

C. Adopt – Keyslanding Fee Budget Ordinance Amendment (\$22,863)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the General Fund appropriations budget be increased in the following accounts and amount:

10-10-4910-0400	Professional Services	\$ 3,775
10-00-4440-3000	Transfer to Water Fund	1,660
10-00-4400-3100	Transfer to Water Capital Res. Fund	4,000
10-00-4400-3200	Transfer to Sewer Fund	2,940
10-00-4400-3300	Transfer to Sewer Cap. Reserve Fund	5,000
10-00-4400-3500	Transfer to Electric Fund	5,488
	Total	\$ 22,863

Section 2. That the General Fund revenue budget be increased in the following fund accounts and amount:

10-00-3991-9910	Fund Balance Appropriated	\$ 22,863
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of April, 2014.

ATTEST:

**s/ Cynthia S. Bennett
City Clerk**

**s/Mac Hodges
Mayor**

D. Adopt – Airport Fuel Budget Ordinance Amendment (\$47,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Airport Fund appropriations budget be increased in the following fund account and amount:

37-90-4530-3101	Fuel Purchases	\$ 47,000
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Section 2. That the Airport Fund revenue budget be increased in the following fund account and amount:

37-90-3453-0000	Fuel Sales	\$ 47,000
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of April, 2014.

ATTEST:

**s/ Cynthia S. Bennett
City Clerk**

**s/Mac Hodges
Mayor**

COMMENTS FROM THE PUBLIC:

David Morgan of Conterra, spoke to Council in regard to the pole attachment agreement that is on the agenda. Conterra Ultra Broadband (Conterra) has recently been awarded a contract by the Beaufort County School Board to install overhead fiber optic cable between schools served by the City's electric system. Conterra has requested a pole attachment agreement with the City of Washington so as to fulfill their contract by the end of the current budget year.

Discussion was held regarding the specifics of the agreement, including but not limited to, cost. Mr. Morgan explained that cost points can be distributed to Council prior to an agreement being signed. Conterra is providing the connections to the schools and will not be serving businesses, etc.

SCHEDULED PUBLIC APPEARANCES:

CATHERINE GLOVER – OUTDOOR RECEPTION REQUEST

Catherine Glover explained that the Washington-Beaufort County Chamber of Commerce is requesting permission from the Washington City Council to host an outdoor reception in which beer and wine will be served at a ticketed event. Heavy hors d'oeuvres will be provided as well from a local caterer. The ticketed event will be outside in a tented, roped-off area at Festival Park. This reception will be prior to the North Carolina Symphony on Sunday, June 15th from 5:30pm to 7:00pm. The Emerald City Big Band will also be performing for free during this time under the gazebo. Tickets will be given in advance to symphony sponsors as a thank you. We will also be selling tickets to others in advance of the reception. The monies raised will be used to pay for the Symphony stage and other expenses needed to put on this free concert for the community. The total number of people at the reception should not exceed 175. Last year this event was held at the Estuarium because there was no pre entertainment. This year because the Emerald City Big Band is playing we would like to have the reception outside. This is how we cover our expenses as we partner to put on this event.

Mayor Hodges inquired the cost of the tickets and Mrs. Glover explained the cost last year was \$35.00 per ticket. The symphony stage costs approximately \$8,000. Rain date will be at Washington High School.

Councilman Beeman made a motion to approve the request. Councilman Mercer made a motion to continue the request until next month.

By motion of Councilman Beeman, seconded by Mayor Pro tem Roberson, Council approved the request by the Washington-Beaufort County Chamber of Commerce for an outdoor reception on June 15th from 5:30pm to 7:00pm at Festival Park. Motion carried 4-1 with Councilman Mercer opposing.

AL POWELL – UPDATES & APPRECIATION DAY – WARREN FIELD AIRPORT

First Responder Appreciation Day – Saturday, June 28th 11:00am – 4:00pm

Location: Warren Field Airport

Admission: Free

Organizers: Beaufort County Police Athletic League (PAL) & Warren Field Airport Advisory Committee (Gil Alligood, Chairman)

Goals:

- a) Demonstrate that the airport is a community resource
- b) Honor our “unsung” heroes: Law Enforcement, first responders, military
- c) Plan a fun event for the county to participate in
- d) Showcase Science and Technology schools in the area.

Planned Activities:

- a) Law enforcement static displays from different departments
- b) Fire Department static displays from different departments
- c) EMT static displays
- d) Vidant helicopter and ambulance display
- e) Classic car display (approximately 30 cars)
- f) Various types of civilian airplanes on display
- g) Military helicopters on display (pending approval)
- h) US Coast Guard boat display
- i) Hot Air Balloon (tethered rides)
- j) Food booths
- k) Games and rides for the kids
- l) Military airplane fly-by (pending approval)
- m) Sky diving demonstration
- n) Educational booths from local colleges/universities

Mr. Powell explained there are two key sponsors at this time: Potash and Lee Chevrolet. There is the possibility of having shuttle buses provided by area churches to transport citizens from inside the City limits who do not have transportation, but would like to attend the event.

Mr. Gil Alligood noted that activity at the airport has increased over the past year. Current events such as Wright Flight and the skydiving school have increased interest in the airport. The current planned event should offer more exposure for the airport which will hopefully increase revenue with increased hangar leases and fuel sales.

Councilman Beeman inquired about a possible conflict with a softball tournament at the complex. Mr. Powell explained that their event should not interfere with this event, if Saturday happens to be a rain date for the softball tournament.

PUBLIC HEARING ON ZONING: 6:00 PM
ACCEPT/ADOPT – RECOMMENDATION OF THE PLANNING BOARD AND ADOPT
RESOLUTION TO CONSIDER ZONING FOR 6.95 ACRES OF VACANT PROPERTY
LOCATED ON OLD BATH HWY (MONTESSORI SCHOOL PROPERTY)

Mayor Hodges opened the public hearing and John Rodman presented the request to Council. Mr. Rodman explained this piece of property is located outside of our extraterritorial zoning jurisdiction and therefore has no zoning classification assigned to it. The Planning Board has recommended that City Council adopt a resolution to approve the zoning of the Montessori School Property located at 2330 Old Bath Highway containing 6.95 acres to O & I (Office & Institutional). State Statute requires a consistency statement when a rezoning takes place, this property is located outside of the ETJ and the Comprehensive Plan does not cover this area. The Planning Board thought this zoning jurisdiction would be consistent with the surrounding property.

There were no comments from the public at this time.

Councilman Mercer noted there was no one present from the Montessori School at any of the meetings regarding annexation or the proposed zoning. Do they want this zoning classification? Mr. Rodman explained this request is coming from the Planning Board in order to maintain consistency. Since the property has already been annexed, it is required to have a zoning classification assigned to it. Mr. Rodman explained that the Montessori was notified of all of the meetings. Mayor Pro tem Roberson noted the zoning classification is accurate.

There being no further comments, Mayor Hodges closed the public hearing.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council accepted the recommendation of the Planning Board and adopted the resolution to approve the zoning of the Montessori School property located at 2330 Old Bath Highway containing 6.95 acres to O & I (Office & Institutional).

**RESOLUTION OF THE CITY OF WASHINGTON ADOPTING A
PROPOSED ZONING MAP AMENDMENT**

WHEREAS, the City of Washington Planning Board received a request to zone previously unzoned property to O&I (Office & Institutional) specifically identified as Beaufort County Parcel Identification Numbers 6605-07-7552.

WHEREAS, effective January 1, 2006, North Carolina General Statute 160A-383 requires that "prior to adopting or rejecting any zoning amendment" each local governing board "shall adopt a statement describing whether its action is consistent with an adopted comprehensive plan and explaining why the board considers the action taken to be reasonable and in the public interest";

WHEREAS, this zoning request was duly advertised and was the subject of a public hearing by the Planning Board on March 25, 2014;

WHEREAS, the Council for the City of Washington has considered the application to amend the Zoning Map and finds that the amendment is warranted, in order to achieve the purposes of the Comprehensive Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE WASHINGTON CITY COUNCIL THAT, the Zoning Report presented by the Planning Board be accepted and as a result, the adoption of the proposed zoning of the subject parcel be approved.

Adopted this 14th day of April 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

PUBLIC HEARING – OTHER: NONE

SCHEDULED PUBLIC APPEARANCES:
REVEREND DAVID MOORE – KEYSLANDING PAVING &
SECOND POSITION LIEN REQUEST

Rev. David Moore discussed the paving of Keysville Road. He continued by discussing the second position lien request for a construction loan that Metropolitan has to obtain, the City will need to take the second position on the lien and the bank will take the first position for the five lots he will be building on. Discussion was held regarding how the City will take the second position and/or release the five lots from the Deed of Trust.

Mayor Hodges said that banks normally want the first position on the lien. Councilman Mercer stated the City is the first position on the property. Franz Holscher, City Attorney explained the City would need to limit the subordination agreement to just the lots that are going to be financed for construction. The City would be giving up their first position and security for those lots, but would still maintain security for the remaining lots in the rest of the subdivision. Rev. Moore explained that all five houses have to be built before moving on to Phase II.

By motion of Councilman Brooks, seconded by Councilman Pitt, Council agreed for the City to accept a second position on the Keyslanding Project, through a subordination agreement(s), so the project can continue and houses can be built in a timely manner on a lot by lot basis as financing is obtained and authorized the City Manager or appropriate City representative to execute the subordination(s).

Discussion was held regarding funding for paving (possibly Powell Bill Funding). Mayor Pro tem Roberson suggested that the City furnish a letter to the lending institution that states the City will be responsible for the street improvements (paving) once the five houses are in place. Rev. Moore guaranteed Council that the houses would be built and once three houses had been built, he could apply for Phase II which would include paving. Mr. Alligood noted if the City paved the streets now we would not be reimbursed with the CDBG funds for Phase II.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson Council agreed to finance the paving of the streets in Keyslanding, subject to the fact that if a second grant has not been approved prior to July 1, 2016 the streets will be paved after July 1, 2016.

CORRESPONDENCE AND SPECIAL REPORTS:
MEMO – GENERAL FUND BUDGET TRANSFER

The Budget Officer transferred the following funding between departments of the General Fund: \$2,500 from Outside Agencies to the Fire Department to replace a failed HVAC compressor at Station 1; \$7,500 from Outside Agencies to the Recreation Administration and Senior Center departments for maintenance and repair to the Peterson Building; \$2,236 from Recreation Administration to the Planning department of the General Fund to reverse the budget transfer done in March for the Havens Garden Phase I master plan.

From:10-40-6170-9106	WHDA	2500
To:10-10-4340-1500	Building Maintenance	2500
From:10-40-6170-9106	WHDA	7500
To: 10-40-6120-1500	Building Maintenance	2750
To: 10-40-6123-1500	Building Maintenance	4750
From: 10-40-6120-0400	Professional Services	2236
To: 10-10-4910-0400	Professional Services	2236

REPORT – FEBRUARY AND MARCH LOAD MANAGEMENT

Councilman Mercer inquired if the number of switches installed includes the replacement switches and Mr. Hardt answered “yes”.

Project Start Date : October 2010

	February 2014	Project to Date
Total Load Management Device Installations	69	2,590
Total Accounts Added with Load Management	41	1,877
Appliance Control Installations		
Air Conditioner / Heat Pump	54	1,945
Auxiliary Heat Strip	18	998
Electric Furnace	4	270
Water Heater	31	1,525
Total Encumbrances to Date		
Load Management Devices		\$ 130,600
Contractor Installations		\$ 265,000
Total Project Encumbrances		\$ 395,600
Total Expenses to Date		
Load Management Device Purchases		\$ 130,600
Contractor Installation Expenses	\$ 5,885	\$ 258,030
Total Project Expenses		\$ 388,630
Average Cost per Load Management Device Installed		\$ 150
Average Installed Cost per Controlled Appliance		\$ 82

Load Management Devices Remaining in Stock 910

Project Start Date : October 2010

	March 2014	Project to Date
Total Load Management Device Installations	49	2,639
Total Accounts Added with Load Management	31	1,908
Appliance Control Installations		
Air Conditioner / Heat Pump	39	1,984
Auxiliary Heat Strip	20	1,018
Electric Furnace	2	272
Water Heater	22	1,547
Total Encumbrances to Date		
Load Management Devices		\$ 130,600
Contractor Installations		\$ 265,000
Total Project Encumbrances		\$ 395,600
Total Expenses to Date		
Load Management Device Purchases		\$ 130,600
Contractor Installation Expenses	\$ 4,420	\$ 262,450
Total Project Expenses		\$ 393,050
Average Cost per Load Management Device Installed		\$ 148.94
Average Installed Cost per Controlled Appliance		\$ 81.53

Load Management Devices Remaining in Stock 861

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:
HUMAN RELATIONS COUNCIL

OLD BUSINESS:

Update/discussion – Fair Housing Project: Sub-committee chair O’Pharrow introduced Mr. Marc Recko, Executive Director of Washington Housing Authority, Inc. Mr. Recko provided a synopsis of a prior meeting between Board member O’Pharrow, Chairman Hughes, Ms. Shanetta Moye and himself regarding the Fair Housing Forum. Mr. Recko advised the discussion led to hosting the Forum at one of the Housing Development Centers this year. Two or three sites are available but the Old Fort Development Center located on 9th Street would be a great and attractive location. The Old Fort Development Center will accommodate approximately 50-60 people. Washington Housing Authority, Inc. will be responsible for acquiring the presenters and John Rodman, Community and Cultural Resources Director will partner with the Human Relations Council in purchasing the hors d’ oeuvre/light refreshments for this event.

The Fair Housing Forum has been scheduled for Tuesday, April 8, 2014 at the Old Fort Development Center on 9th Street from 6:30 PM – 8:00 PM.

Discussion – Board vacancy: Chairman Hughes reminded Board members to keep in the forefront the one remaining vacancy and advise if they know of someone who wishes to be appointed.

NEW BUSINESS: None –

OTHER BUSINESS:

FYI – All FYI items and reminders were discussed inclusive of February 18, 2014 report submitted to City Council, financial report, and advertisements.

Chairman Hughes mentioned there may be a request from the Pastor of Mother of Mercy Catholic Church to come before the Board with a request to help in developing the history related to the church.

OPEN DISCUSSION:

Board member Gaskins presented a flyer announcing a “Community Appreciation Day”. This event has been scheduled for Saturday, April 5, 2014 and will be held at 1205 Cooper Street, Washington. The Community Appreciation Day is free to all and the time is from 12PM – 6PM.

APPOINTMENTS: NONE

OLD BUSINESS:

ADOPT – ORDINANCE TO AMEND CHAPTER 18, SECTION 77 – STOP INTERSECTIONS AND CHAPTER 18, SECTION 78 – YIELD INTERSECTIONS

City Manager, Brian Alligood summarized the request for Council, noting that at the March 10, 2014 Council meeting, Mr. Earl Thompson of 201 West 16th Street, spoke to Council about reducing the speed limit along Respass Street between 15th Street and Oak Drive. He also spoke about replacing the yield sign with a stop sign at the intersection of Respass Street and Oak Drive. The attached ordinance will allow for the yield sign to be changed to a stop sign. Additionally, staff noticed that the intersection of Oak Drive and Stewart's Drive, when approaching from the south side along Stewart's Drive, also has a yield sign instead of a stop sign. Subsequently staff felt that it would be appropriate to change this yield sign to a stop sign at this time as well. The ordinance amendment accomplishes this as well. Mr. Alligood noted this is one of the first steps to help remedy the traffic congestion in this area.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council adopted an ordinance to amend Chapter 18, Section 77 and Chapter 18, Section 78 in reference to the intersections of Oak Drive at Respass Street and at Stewart's Drive, as outlined in the ordinance, with an effective date of April 15, 2014.

**AN ORDINANCE TO AMEND CHAPTER 18,
SECTION 77: STOP INTERSECTIONS AND CHAPTER 18,
SECTION 78: YIELD INTERSECTIONS
OF THE WASHINGTON CITY CODE**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That Chapter 18 Section 18-78 – Yield intersections, be amended to remove the following:

Sec. 18-78. Yield intersections.

Oak Drive, from Respass Street (south side).

Oak Drive, from Stewart's Drive (south side).

Section 2. That Chapter 18 Section 18-77 – Stop intersections, be amended to add the following:

Sec. 18-77. Stop intersections.

Oak Drive, from Respass Street.

Oak Drive, from Stewart's Drive (south side).

Section 3. All ordinances in conflict with this ordinance are hereby repealed.

Section 4. This ordinance shall become effective April 15, 2014.

This the 14th day of April, 2014.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

ADOPT – ORDINANCE TO AMEND CHAPTER 18, SECTION 102(C) – NONHIGHWAY STREETS

Mr. Alligood explained that at the March 10, 2014 Council meeting, Mr. Earl Thompson of 201 West 16th Street, spoke to Council about reducing the speed limit along Respass Street between 15th Street and Oak Drive and replacing the yield sign with a stop sign at the intersection of Respass Street and Oak Drive. The attached ordinance will reduce the speed limit along Respass Street between 15th Street and Oak Drive to 25 MPH, which is the second step to reducing traffic concerns in this area. The third step involves NCDOT and they are working on a project to install an additional turning lane on in-bound Market Street that would allow left turns, straight through and right turn only, to move traffic through this intersection.

Councilman Mercer appreciated the fact that Council took the necessary 30 days to investigate Mr. Thompson's concerns. This time allowed staff to facilitate some solutions to this problem. He continued by suggesting that staff research purchasing portable "speed humps".

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council adopted an Ordinance to amend Chapter 18, Section 102 (c) in referenced to the speed limit

along Respass Street, as outlined in the attached ordinance, with an effective date of April 15, 2014.

**AN ORDINANCE TO AMEND CHAPTER 18,
SECTION 102: NONHIGHWAY STREETS
OF THE WASHINGTON CITY CODE**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That Chapter 18 Section 18-102(c) – Nonhighway streets, be amended to add the following:

Sec. 18-102(c).

Respass Street, from Fifteenth Street to Oak Drive.

Section 2. All ordinances in conflict with this ordinance are hereby repealed.

Section 3. This ordinance shall become effective April 15, 2014.

This the 14th day of April, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

**APPROVE/AUTHORIZE/ADOPT – OLD CITY HALL RECONVEYANCE AND
AUTHORIZE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY
DOCUMENTS THAT ARE NECESSARY IN CONJUNCTION WITH THE RELATED
CLOSING AND ADOPT A BUDGET ORDINANCE AMENDMENT**

Cedar Grove Plantation, LLC was unsuccessful in obtaining acceptable financing for the Old City Hall restoration project and the property is being reconveyed to the City in accordance with the preservation agreement. This action was previously scheduled for consideration at the February 10, 2014 regular meeting, however a request was made to table the matter for 60 days pending a due diligence review by a group of investors seeking to acquire Cedar Grove Plantation, LLC and complete the project. The investors, after completing their due diligence, have advised the City that they do not wish to proceed with the acquisition.

Councilman Mercer inquired why the amount changed from \$25,000 to \$25,091? Mr. Alligood explained the additional \$91.00 is the standard real estate transaction expenses that the buyer is required to pay at closing. Mr. Holscher explained that the settlement statement is subject to change for taxes and the deed has been slightly revised to meet the title insurance company's requirements (changes were distributed to Council). Mr. Alligood explained the only change in the deed was "all of its members as well as managers" initially the deed stated "its member managers".

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council approved and authorized the reconveyance of Old City Hall from Cedar Grove Plantation, LLC to the City, including but not limited to accepting the attached deed, approving the attached Cancellation and Withdrawal, authorizing the City Manager or his designee to execute any documents that are necessary in conjunction with the related closing and adopting a Budget Ordinance Amendment to appropriate funds for said transaction.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the General Fund Miscellaneous Department appropriations budget be increased in the following account and amount for the reconveyance of Old City Hall:

10-00-4400-7100	Acquisition	\$ 25,091
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Section 2. That the General Fund revenue budget be increased in the following fund accounts and amount:

10-00-3991-9910 Fund Balance Appropriated \$ 25,091

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of April, 2014.

ATTEST:
s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

1843 PG 975

FOR REGISTRATION REGISTER OF DEEDS
Jennifer Leggett Whitworth
Beaufort County, NC
April 25, 2014 02:47:28 PM
Book 1843 Page 975-978
FEE \$28.40
NC REVENUE STAMP: \$50.00
INSTRUMENT # 2014001799

BEAUFORT COUNTY LAND RECORDS
BOOKING FORM 40939
APR 25-14
Land Records Official Date

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

THIS DEED, made and entered into this the 25th day of April, 2014, by CEDAR GROVE PLANTATION, LLC, a North Carolina Limited Liability Company, whose address is: 316 Riverside Drive, Washington, NC 27889, Grantor, to the CITY OF WASHINGTON, a municipal corporation organized and existing under the laws of the State of North Carolina, whose address is: Post Office Box 1988, Washington NC 27889;

WITNESSETH:

That the Grantor, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable considerations to it paid by the Grantee, the receipt whereof is acknowledged, has given, granted, bargained, sold and does hereby convey unto the Grantee, its successors and assigns, that certain tract or parcel of land lying and being in the City of Washington,

Approved by City Council 4/14/14

1843 PG 976

Beaufort County, North Carolina, more particularly described as follows:

BEGINNING at an X cut in concrete, said X being more particularly located by beginning at US Coast and Geodetic Station "Z-25" and running therefrom South 60° 30' 10" West 240.44 feet to an X in concrete, the point and place of beginning. Thence from said beginning point so located South 41° 30' 00" West 42.24 feet to a nail set in a common wall between the property described herein and the property now or formerly owned by Gregory M. Ward; thence with the centerline of said wall and continuing North 47° 51' 48" West 101.94 feet to an iron rebar; thence North 42° 01' 15" East 41.29 feet to a magnetic nail; thence South 48° 23' 55" East 101.56 feet to an X cut in concrete, the point and place of beginning and being the same property as shown on that certain survey by Waters Surveying, Inc. dated May 29, 2009 and being that same property deeded to the City of Washington by deed dated October 7, 2009 recorded in Book 1699, Page 981, Beaufort County Registry, to which survey and deed reference is herein made for a more complete and adequate description.

TO HAVE AND TO HOLD the same, together with all and singular, the rights, ways, privileges and appurtenances thereto belonging or in anywise appertaining unto the said Grantee, its successors and assigns, in fee simple, subject, however, to the following:

1. 2014 Beaufort County Ad Valorem taxes.
2. Such easements, rights-of-way and restrictions of record in the Beaufort County Registry.
3. Non-compliance with any local, county, state or federal governmental laws, ordinances or regulations relative to zoning, subdivision, occupancy, use, construction or the development of the subject property.

The Grantor covenants with the Grantee that it is seized in

1843 PG 977

fee simple of the above described property and has good right and title to convey the same; that the same is free and clear of all liens and encumbrances, except those matters above set forth, and that, subject thereto, it will forever warrant and defend the title to the same against all lawful claims and demands.

IN WITNESS WHEREOF, CEDAR GROVE PLANTATION, LLC, has caused this instrument to be executed by all of its Members as well as Managers, who are duly authorized to execute the same, this the day and year first above written.

CEDAR GROVE PLANTATION, LLC, a North Carolina Limited Liability Company

BY: LAURA A. DARRE, Member Manager (Seal)

BY: KATHERYN PISCIOTTA, Member Manager (Seal)

STATE OF NC
COUNTY OF Beaufort

Before me, the undersigned Notary Public in and for the State and County aforesaid, this day personally appeared LAURA A. DARRE, who being by me duly sworn say that she is a Member Manager of CEDAR GROVE PLANTATION, LLC, a North Carolina Limited Liability Company and that she executed the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 25th day of April, 2014.

NOTARY PUBLIC
My Commission expires: 5/26/2017

HOLLY W. WALLACE
NOTARY PUBLIC
BEAUFORT COUNTY, N.C.

1843 PG 978

STATE OF NC
COUNTY OF Beaufort

Before me, the undersigned Notary Public in and for the State and County aforesaid, this day personally appeared KATHERYN PISCIOTTA, who being by me duly sworn say that she is a Member Manager of CEDAR GROVE PLANTATION, LLC, a North Carolina Limited Liability Company and that she executed the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 25th day of April, 2014.

NOTARY PUBLIC
My Commission expires: 5/26/2017

HOLLY W. WALLACE
NOTARY PUBLIC
BEAUFORT COUNTY, N.C.

2 Holscher 1/2 PC

EX1843PG979

EX1843PG980

FOR REGISTRATION REGISTER OF DEEDS
APRIL 25, 2014 02:47:26 PM
BOOK 1948 PAGE 979-981
FEE: \$28.00
INSTRUMENT # 2014001800



INSTRUMENT # 2014001800

PREPARED BY and RETURN TO:
RODMAN, HOLSCHER, PECK & EDWARDS, P.A.
Attorneys at Law
320 North Market Street
Post Office Box 1747
Washington NC 27889
Telephone: (252) 946-3122

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

THIS CANCELLATION AND WITHDRAWAL OF PRESERVATION AGREEMENT is made and entered into this the 23rd day of April, 2014, by the CITY OF WASHINGTON, a municipal corporation of the State of North Carolina, whose address is: PO Box 1988, Washington, NC 27889.

RECITALS:

WHEREAS, on December 16, 2011, the City of Washington ("City") conveyed to Cedar Grove Plantation, LLC ("Cedar Grove") (may be collectively referred to as the "parties") certain property informally known to the parties as Old City Hall and as more particularly described in that deed recorded in the Beaufort County Register of Deeds office in Book 1769, Page 818; and

WHEREAS, the parties entered into a CONSERVATION, HISTORIC PRESERVATION AND MAINTENANCE AGREEMENT AND DEED OF EASEMENT FOR HISTORIC PRESERVATION (may be referred to herein as "Preservation Agreement") recorded in the

Approved by City Council 4/14/14

Beaufort County Register of Deeds office in Book 1769, Page 821 that contained certain covenants, restrictions, and conditions agreed upon by the parties concerning said property; and

WHEREAS, pursuant to the terms of the Preservation Agreement, Cedar Grove reconveyed said property to the City by that deed recorded in the Beaufort County Register of Deeds office in Book 1769, Page 915; and

WHEREAS, the City desires to cancel and withdraw said Preservation Agreement.

WITNESSETH:

NOW THEREFORE, the City does hereby cancel and withdraw that CONSERVATION, HISTORIC PRESERVATION AND MAINTENANCE AGREEMENT AND DEED OF EASEMENT FOR HISTORIC PRESERVATION recorded in the Beaufort County Register of Deeds office in Book 1769, Page 821, including all of those certain covenants, restrictions and conditions contained therein.

IN WITNESS WHEREOF, the CITY OF WASHINGTON, a municipal corporation of the State of North Carolina, has caused this instrument to be executed in its name by its Mayor, attested by its City Clerk, and affixed with its corporate seal, all by proper corporate authority duly given, this the day and year first above written.



CITY OF WASHINGTON
BY: Jay MacDonald Hodges
JAY MACDONALD HODGES, MAYOR

Approved by City Council 4/14/14

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, Holly W. Wallace, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is City Clerk of the CITY OF WASHINGTON, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by JAY MACDONALD HODGES, Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the 23rd day of April, 2014.

Holly W. Wallace
NOTARY PUBLIC

My Commission expires: 5/26/2017



Approved by City Council 4/14/14

3rd Holscher 2/2 PC



CMB Approval No. 2802-0285

A. Settlement Statement (HUD-1)

B. Type of Loan		6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.		
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.			
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "To a/c" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.				
D. Name and Address of Buyer:		E. Name and Address of Seller:		F. Name and Address of Lender:
City of Washington PO Box 1988 Washington, NC 27889		Cedar Grove Plantation, LLC 316 Riverside Drive Washington, NC 27889		
G. Property Location:		H. Settlement Agent:		I. Settlement Date:
OLD CITY HALL, Portion of Lot 21 Market Street Washington, NC 27889 Beaufort County, North Carolina		Rodman, Holcher, Peck & Edwards, P.A. 320 N. Market Street Washington, NC 27889 Place of Settlement: 320 N. Market Street Washington, NC 27889		April 25, 2014
J. Summary of Buyer's transaction		K. Summary of Seller's transaction		
100. Gross Amount Due from Buyer:		400. Gross Amount Due to Seller:		
101. Contract sales price 25,000.00		401. Contract sales price 25,000.00		
102. Personal property		402. Personal property		
103. Settlement Charges to Buyer (Line 1400) 117.00		403.		
104.		404.		
105.		405.		
Adjustments for items paid by Seller in advance		Adjustments for items paid by Seller in advance		
106. City/Town Taxes to		406. City/Town Taxes to		
107. County Taxes to		407. County Taxes to		
108. Assessments to		408. Assessments to		
109.		409.		
110.		410.		
111.		411.		
112.		412.		
120. Gross Amount Due from Buyer 25,117.00		420. Gross Amount Due to Seller 25,000.00		
200. Amounts Paid by or in Behalf of Buyer		500. Reductions in Amount Due Seller:		
201. Deposit or earnest money		501. Excess deposit (see instructions)		
202. Principal amount of new loan(s)		502. Settlement charges to Seller (Line 1400) 2,804.52		
203. Contract sales price (see subject to)		503. Existing loan(s) (see subject to)		
204.		504. Payoff First Mortgage		
205.		505. Payoff Second Mortgage		
206.		506.		
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Adjustments for items unpaid by Seller		Adjustments for items unpaid by Seller		
210. City/Town Taxes to		510. City/Town Taxes to		
211. County Taxes 01/01/14 to 04/28/14 732.74		511. County Taxes 01/01/14 to 04/28/14 732.74		
212. Assessments to		512. Assessments to		
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220. Total Paid by Buyer 732.74		520. Total Reduction Amount Due Seller 3,337.26		
300. Cash at Settlement from/to Buyer		600. Cash at Settlement from/to Seller		
301. Gross amount due from Buyer (line 120) 25,117.00		601. Gross amount due to Seller (line 420) 25,000.00		
302. Less amount paid by Buyer (line 220) 732.74		602. Less reductions due Seller (line 520) 3,337.26		
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Buyer 24,384.26		603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller 21,662.74		

The undersigned hereby acknowledge receipt of a completed copy of pages 1, 2 & 3 of this statement & any attachments referred to herein.

Buyer: City of Washington
BY: Jay MacDonald Hodges

Seller: Cedar Grove Plantation, LLC
BY: Holly W. Wallace
BY: [Signature]

The Public Reporting Burden for this collection of information is estimated at 30 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No contribution is assessed. The deadline is mandatory. This is designed to provide the public with a 100% covered government with information during the settlement process.

L. Settlement Charges			
706. Total Real Estate Broker Fees			
Division of commission (line 705) as follows:			
721. \$	to	Paid From	Paid From
722. \$	to	Buyer's	Seller's
723. \$	to	Funds at	Funds at
724. \$	to	Settlement	Settlement
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WHEREAS, the City of Washington intends to request state grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Washington that: the City of Washington, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State grant award and that;

the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt and that;

Mac Hodges, Mayor, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a grant to aid in the project described above and that;

the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application and that;

the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 14th day of April, 2014 in the City of Washington, North Carolina.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

**ADOPT/AUTHORIZE – GRANT PROJECT ORDINANCE AND A BUDGET
ORDINANCE AMENDMENT AND AUTHORIZE THE CITY MANAGER TO
EXECUTE THE WORK AUTHORIZATION FOR PROFESSIONAL SERVICES
AGREEMENT (AIRPORT LIGHTING REHABILITATION PROJECT**

City Manager, Brian Alligood noted that the City was awarded a grant from the NC Department of Transportation Division of Aviation in the amount of \$325,000 for a lighting rehabilitation project. The grant requires a \$36,111 local match and the associated budget ordinance reflects 90/10 match for the grant.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council adopted a Grant Project Ordinance and a Budget Ordinance Amendment and authorized the City Manager to execute the Work Authorization for Professional Services agreement for the Airport Lighting Rehabilitation Project.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND
CAPITAL PROJECT ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That account number 10-00-3991-9910, Fund Balance Appropriated, General Fund revenue appropriations budget be increased in the amount of \$36,111 to provide funds for transfer to the Airport Rehabilitation Capital Project Grant Fund.

Section 2. That account number 10-00-4400-3700, Transfer to Airport Fund, Miscellaneous Non-departmental portion of the General Fund appropriations budget be increased in the amount of \$36,111 to provide the local grant match for airport rehabilitation projects.

Section 3. That the following appropriation account numbers be increased in the amounts shown in the Airport Rehabilitation Capital Project Grant Fund to account for grant funded rehabilitation projects at the airport:

71-90-4530-0400	Professional Services	\$ 40,936
71-90-4530-4500	Airport Rehabilitation	<u>320,175</u>
		\$361,111

Section 4. That the following revenue account numbers in the Airport Rehabilitation Capital Project Grant Fund be increased in the amounts shown:

71-90-3490-0001	State Aid 36244.51.10.1	\$ 36,842
71-90-3490-0002	State Aid	288,158
71-90-3397-0000	Transfer from GF	<u>36,111</u>
		\$361,111

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of April, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

**AUTHORIZE – ELECTRIC DIRECTOR TO EXECUTE POLE ATTACHMENT
AGREEMENT**

(Summary provided by Keith Hardt, Electric Utilities Director and City Manager, Brian Alligood.) The City of Washington currently has pole attachment agreements with three CATV/Telephone providers within the electric service territory. These agreements are very dated and are in need of updating. It is recommended that we update our pole attachment agreement based on a request for new attachments and on recent rulings in the case *Town of Landis vs. Time Warner Communications*. David Barnes, staff attorney with ElectriCities of North Carolina with the assistance from the ElectriCities Operation Standards Team has developed a draft pole attachment agreement for ElectriCities members' use. Mr. Barnes has been very involved with the Town of Landis case, has drafted this agreement based on the findings of the case and recommends that members execute these agreements where applicable. Mr. Barnes is currently reviewing this final draft of the document, but does feel that it contains the proper language to protect the City.

Conterra Ultra Broadband (Conterra) has recently been awarded a contract to install overhead fiber optic cable between Beaufort County Schools that are served by the City's electric system. Conterra has requested a pole attachment agreement with the City of Washington so as to fulfill their contract by the end of the current budget year.

The current City of Washington pole attachment fees charged are listed in the agenda packet. It is proposed that these fees be changed as listed. These fees are based on the American Public Power Association model and are in line with what many other North Carolina electric cities charge for attachments. My survey has pole attachments from North Carolina cities ranging from \$16 per attachment to \$21 per pole foot attachment. The companies that utilize our facilities for attachment may argue that these fees are excessive and not in line with the FCC guidelines, but we are not required to follow the FCC guidelines. In addition, the proposed fees are based on the actual cost to provide the attachment to the requestor.

The draft agreement was forwarded to Council a week ago with the Manager's weekly update. Councilman Mercer noted that the document is too long and needs to be modified. The relative fee schedule was also discussed. It was suggested that if Conterra needs an agreement within the next 90 days, then we could write a letter granting them permission to attach to our poles, noting they are subject to the current fee schedule. Once ElectriCities finalizes the agreement, we can then use their agreement and set the fees based on what Council decides on during the budget discussions.

Mayor Pro tem Roberson said we need to do whatever we need to do to assist the schools in order to allow them to receive the grant funds. We can worry about the pole agreement at a later time.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed to allow Conterra to attach to our utility poles, based on our existing fee structure, without a pole agreement, only until such time that we are able to put a pole agreement together that is approved by Council. The agreement would come back into effect January 1st of the next year. Any other costs associated with the replacement of poles will be the responsibility of Conterra.

Mayor Pro tem Roberson asked David Morgan with Conterra, to send a sample agreement to the City Manager.

Councilman Mercer suggested that the fee structure be referred to the Washington Electric Utilities Advisory Board and have them forward a recommendation to Council. Councilman Beeman requested a copy of the current and proposed fee structure, staff will forward both versions to Council.

**ADOPT/AWARD – ORDINANCE TO CONDEMN AS UNSAFE THE
STRUCTURE LOCATED AT 759 CAROLINA AVENUE AND AWARD THE
DEMOLITION CONTRACT (\$4,500)**

(summary) The governing body of the City may adopt and enforce ordinances relating to residential buildings or structures that fail to meet minimum standards of maintenance, sanitation, and safety. The minimum standards address conditions that are dangerous and injurious to public health, safety and welfare and identify circumstances under which a public necessity exists for the repair, closing or demolition of such buildings or structures. If after a notice and hearing the Code Official determines that the property has not been properly maintained and failed to meet minimum standards an order is issued to require the owner to demolish and remove the building or structure.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council adopted the ordinance condemning the structure located at 759 Carolina Avenue as unsafe and demolish and remove the structure.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council awarded the demolition contract to the lowest responsible bidder, St. Clair Trucking in the amount of four thousand five hundred dollars (\$4,500).

Bids Submitted:

<i>St. Clair Trucking, Inc.</i>	<i>\$4500</i>
<i>T J's Marine Construction</i>	<i>\$5800</i>
<i>Steve T. Williams</i>	<i>\$5900</i>

**If the structure is removed or demolished by the City, the City shall sell the usable materials of the building. The amounts incurred by the City in connection with the demolition shall be a lien against the real property upon which the cost was incurred.*

PREVIOUS LEGISLATIVE ACTION

<i>Complaint: 12/11/13</i>	<i>Order to Demolish: 1/6/14, 3/10/14</i>
<i>Notice of Hearing: 12/20/13</i>	<i>Time expired: 3/21/14</i>
<i>Hearing: 12/30/13</i>	<i>Notice of Council hearing: 4/4/14</i>

**AN ORDINANCE FINDING THAT THE BUILDING DESCRIBED HEREIN IN THE
CITY OF WASHINGTON IS CONDEMNED AS UNSAFE AND DIRECTING THAT IT
BE DEMOLISHED**

WHEREAS, the City Council of the City of Washington finds that the structure having an address of 759 Carolina Avenue, Washington, North Carolina and being owned by the heirs of Pearlle Howell Little, Jr., Lawrence Little, Augustine Little, and Janet Cosby is condemned as, among other things, unsafe pursuant to North Carolina General Statute § 160A-426 and that all applicable statutory provisions have been complied with as a condition of the adoption of this Ordinance.

WHEREAS, the structure located on said property should be demolished and removed as directed by the Senior Building Official for, among other things, the reasons stated by the Senior

Building Official in his January 6, 2014 and/or March 10, 2014 Order to Remedy Defective Condition and Findings of Fact that was served on the property owner(s).

WHEREAS, the owner(s) of the structure have been given a reasonable opportunity to bring the structure into compliance with the applicable standards of the City Code as well as State statute in accordance with North Carolina General Statute § 160A-426 as well as pursuant to the Orders issued by the Senior Building Official in said Notice of Decision.

WHEREAS, said owner(s) have failed to comply with said Orders.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Washington as follows.

Section 1. The Senior Building Official is hereby authorized and directed to proceed to demolish and remove the above described structure located at 759 Carolina Avenue in accordance with applicable provisions of the City Code and North Carolina General Statute § 160A-426 *et seq.*

Section 2. The cost of the demolition and removal of the structure shall constitute a lien against the real property upon which the cost was incurred as provided in North Carolina General Statute § 160A-432.

Section 3. This Ordinance shall be recorded in the Office of the Register of Deeds of Beaufort County, North Carolina.

This Ordinance shall become effective on this date of adoption April 14, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

**ADOPT – CAPITAL PROJECT ORDINANCE AND ADOPT A BUDGET ORDINANCE
AMENDMENT FOR THE WAYFINDING CAPITAL PROJECT**

John Rodman, Community & Cultural Resources Director explained that \$75,000 was budgeted for the way finding project in FY 2013-2014. Staff has completed the preliminary work for the project and is prepared to move forward with the design phase. The project will be completed in FY 2014-2015. Upon review of several other recent projects of similar scope staff believes an additional appropriation of \$75,000 will be needed to deliver a satisfactory product. Funds budgeted for economic development and planning professional services can be utilized to supplement the project and avoid appropriation of fund balance. Mr. Rodman explained the presentation and the documentation serves as a means to update Council on the progress of the project, he is not requesting any action from Council tonight. Discussion was held regarding the design and number of gateway signs, primary destination sign, secondary destination signs, ID signs and parking signs.

Prior Activity:

Project Steering Committee stakeholders invited to participate in Phase 1 of the Wayfinding project. A total of 6 meetings have been held that consisted of getting started, developing goals and objectives, naming attractions and destinations, selecting preferred routes and gateways, gathering data on existing inventory and conditions, and analyzing that data.

Projected Activity for next Month:

Completion of the Phase 1 Report for Council. Drafting an RFP for the Design Development Phase of the Project which will consist of design criteria and specifications. It will also include an Implementation Plan for signage construction.

City Manager, Brian Alligood explained that we are asking to move money from our professional services account to create this budget ordinance.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council adopted a Capital Project Ordinance and adopted a Budget Ordinance Amendment for the way finding project.

**A CAPITAL PROJECT ORDINANCE FOR THE WAY FINDING PROJECT
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is for the design and implementation of the way finding signage project budgeted and funded by a transfer from the General Fund.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the financing documents.

Section 3. The following amounts are appropriated for the project:

69-90-8000-0401	Design	\$ 50,000
69-90-8000-4500	Installation	<u>100,000</u>
	Total	\$150,000

Section 4. The following revenue is anticipated to be available for this project:

69-60-3352-0000	Transfer from General Fund	\$150,000
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Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy the requirements of the financing agreement.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments that are due.

Section 7. The Finance Director is directed to report, on a monthly basis, the financial status of each project element in Section 3 and on the total revenues received or claimed.

Section 8. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this capital project in every budget submission made to the City Council.

Section 9. Copies of this capital project ordinance shall be furnished to the City Clerk, Budget Officer, and Finance Director for direction in carrying out this project.

Section 10. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 11. This ordinance shall become effective upon its adoption.
Adopted this the 14th day of April, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the General Fund appropriations budget be increased or decreased in the following fund accounts and amount:

10-10-4910-7400	Capital Outlay	\$(75,000)
10-00-4650-0400	Professional Services	(5,000)
10-00-4650-4500	ED Projects	(60,000)
10-10-4910-0400	Professional Services	(10,000)
10-00-4400-6200	Transfer to Capital Project Fund	<u>150,000</u>
	Total	0

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of April, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

ADOPT – EMPLOYEE CEMETERY LOT PURCHASE PROGRAM

Mr. Alligood explained that at the direction of Council, staff has developed a program that offers the opportunity for City employees to purchase cemetery lots along with associated perpetual care fees through payroll deductions over a twelve month period. Deed will transfer at the end of the twelve month period.

Example:

\$625 1 lot + \$200 Perpetual care fee/lot = \$825 Total

\$34.38 After-tax payroll deduction (24/year)

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council adopted a City employee cemetery lot purchase program effective July 1, 2014.

**AUTHORIZE – CITY MANAGER TO RENEW BCBS HEALTH INSURANCE
CONTRACT RENEWAL FOR FY 2014-15**

Mr. Alligood summarized by stating beginning with fiscal year 2014-2015, employee payroll deductions for dependent coverage and voluntary insurance premiums will be taken over 24 payroll deduction periods instead of the current practice of 26 payroll deduction periods. It is anticipated that this change will result in more efficient billing reconciliation especially for mid-year changes. With the 6% reduction in health insurance premiums, this change can be implemented at this time with minimum impact on employees' take home pay. We are also recommending a change in coverage effective dates for new hire employees and terminating employees as follows:

New Hire

Current Policy: Coverage under City insurance begins on the first calendar day following 30 days of employment, i.e. on the 31st day of employment.

Proposed Policy: Coverage under City insurance begins on the first of the month following 30 days of employment.

Terminating Employee

Current Policy: Coverage ends on the actual last day of employment.

Proposed Policy: Coverage ends on the last day of the month in which the employee separates service.

These changes will coordinate well with the transition to 24 insurance premium payroll deductions; will eliminate prorated billing; and will coordinate with traditional effective dates for individual or other group policies. We have verified that this change will not affect the premium renewal rates.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council authorized the City Manager to renew the City of Washington's contract with BCBS of NC for group Health Insurance for fiscal year 2014-15 including a change in the effective date of coverage for group insurance benefits for new City employees to the first of the month following 30 days of employment and for terminated employees to the end of the contract month following employment termination effective July 1, 2014.

APPROVE – PERSONNEL POLICY REVISION ARTICLE VII. EMPLOYEE BENEFITS

Mr. Alligood continued by explaining that the current City of Washington Personnel Policy provides that full-time employees will be covered under group insurance benefits including Medical, Dental, Life, and Vision insurance after a thirty (30) day waiting period. Under the City's current contracts, the prescribed waiting period for insurance coverage is exactly 30 days, with

coverage beginning on the 31st day. Beginning with contract renewals effective July 1, 2014, however, the first date of insurance coverage will be the first of the month following 30 days of employment. Therefore, it is recommended that the Personnel Policy is revised to reflect the specific waiting period for coverage. Note: This action is contingent upon approval of Council Action for Health Insurance Contract Renewal.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council agreed that the City of Washington Personnel Policy, Article VII. Employee Benefits, Section 1. Insurance Benefits be revised to reflect that group benefits will be provided for full-time employees beginning the first of the month following 30 days of employment effective July 1, 2014.

APPROVE – RESOLUTION ENDORSING NCEMPA ASSET SALE NEGOTIATIONS

Brian Alligood, City Manager explained that the City of Washington is a member of North Carolina Eastern Municipal Power Agency (NCEMPA). On February 3, 2014, NCEMPA announced that it was negotiating with Duke Energy Progress to sell its generation assets. The Electricities Board of Directors and NCEMPA Board of Commissioners had previously directed management to negotiate with them. The process is expected to last 12-24 months. It will require regulatory approval, possibly legislative approval and will need the agreement of all 32 members of NCEMPA. The objective of the sale is more competitive rates for customers while preserving the same reliability received today. The negotiations are covered under a confidentiality agreement between the parties and cannot be discussed in detail; however the City Council has been briefed on the matter in closed session by NCEMPA staff. The negotiations only affect the generating assets. The local distribution system is not part of the discussions. All NCEMPA members have been asked to consider approving the attached resolution of support.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved a resolution endorsing the negotiation of definitive agreements for the sale of certain generating assets owned by the North Carolina Eastern Municipal Power Agency to Duke Energy Progress, Inc. and for power supply.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WAHSINGTON
ENDORSING THE NEGOTIATION OF DEFINITIVE AGREEMENTS
FOR THE SALE OF CERTAIN GENERATING ASSETS OWNED BY NORTH
CAROLINA EASTERN MUNICIPAL POWER AGENCY TO DUKE ENERGY
PROGRESS, INC. AND FOR POWER SUPPLY**

WHEREAS, the City of Washington (the “Municipality”) and North Carolina Eastern Municipal Power Agency (“Power Agency”) heretofore have entered into an Initial Project Power Sales Agreement, as amended, and a Supplemental Power Sales Agreement, as amended, pursuant to which, among other things, the Municipality purchases from Power Agency and Power Agency sells to the Municipality all of the Municipality’s All Requirements Bulk Power Supply, as such term is defined in the Supplemental Power Sales Agreement; and

WHEREAS, a portion of the All Requirements Bulk Power Supply sold by Power Agency to the Municipality and purchased by the Municipality from Power Agency is derived from the Power Agency’s undivided ownership interest in the following electric generating units jointly owned by Power Agency with Duke Energy Progress, Inc. (“DEP”): Brunswick Units Nos. 1 and 2, Harris Unit No. 1, Mayo Unit No. 1 and Roxboro Unit No. 4 (collectively, the “Joint Units”); and

WHEREAS, City Council of the Municipality (the “Governing Body”) has been advised by representatives of Power Agency that Power Agency has been authorized by its Board of Directors and by the Board of Commissioners of the Power Agency to negotiate with DEP on an exclusive basis definitive agreements pursuant to which (i) Power Agency would sell and DEP would purchase all of Power Agency’s ownership interests in the Joint Units, and (ii) Power Agency and DEP would enter into a full requirements power purchase agreement pursuant to which DEP would sell and Power Agency would purchase all of the power and energy required by Power Agency to provided full requirements power supply services to the City of Washington and to all other members of Power Agency (the “Proposed Transaction”); and

WHEREAS, representatives of Power Agency also have advised the Governing Body that if the Proposed Transaction is consummated the proceeds to be derived from the sale of the Joint Units, when combined with other funds available to Power Agency, may not be sufficient to pay or provide for the payment of the principal of and premium, if any, and interest on all revenue bonds heretofore issued by Power Agency to finance the acquisition of the Joint Units; and

WHEREAS, representatives of Power Agency confidentially presented to the Governing Body the confidential results of the preliminary financial analyses of the Proposed Transaction undertaken by and at the request of Power Agency to determine the projected effect of the Proposed Transaction on Power Agency and its participants; and

WHEREAS, the Governing Body, having taken into consideration the confidential information concerning the Proposed Transaction presented to the Governing Body by representatives of Power Agency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington:

1. The Governing Body has given due consideration to the confidential information concerning the Proposed Transaction presented by representatives of Power Agency at this meeting and hereby finds and determines that it is in the best interests of the Municipality for representatives of Power Agency to negotiate a definitive agreement with DEP concerning the Proposed Transaction.
2. The Governing Body hereby endorses the action of the Board of Directors and Board of Commissioners of Power Agency authorizing representatives of Power Agency to negotiate a definitive agreement with DEP concerning the Proposed Transaction.
3. The Governing Body hereby directs the Clerk to cause to be furnished to Power Agency, if requested, a certified copy of this resolution.
4. This resolution shall become effective upon its adoption.

ADOPTED this 14th day of April, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

AUTHORIZE CITY MANAGER TO SIGN CONFIDENTIALITY AGREEMENT

By motion of Councilman Mercer, seconded by Councilman Beeman, Council authorized the City Manager to sign a confidentiality agreement which will allow Doug Mercer, Keith Hardt and Brian Alligood access to the data room – (ElectriCities).

ANY OTHER ITEMS FROM CITY MANAGER: NONE

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL
DISCUSSION – PUBLIC COMMENTS RULES

Councilman Mercer discussed the need for an approved policy for responding to public comments. This will allow Council and staff time to review the topic/request and make a reasonable and educated decision.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved a policy where they will take no action on a request presented during a regular or called meeting, unless the item is included in the scheduled Old or New Business section of the approved agenda. Items presented during Scheduled Public Appearances or during the Public Comment portion of the agenda, will not be acted upon until the next regularly scheduled meeting of the Council, unless a super majority (four members) of the Council approve an action at the time of the presentation.

DISCUSSION – HIGHWAY 17 ASSOCIATION CHALLENGE

Councilman Mercer reminded members that the City is a member of the Highway 17 Association and we pay annual dues. We have been a member since its inception. There are a couple of counties that have reduced their contributions. Last year, as well as this year, their staff has taken 10% salary cuts. The Association has indicated that if their financial picture doesn't improve, they will not be able to continue operations next year. Recognizing that need, the Beaufort County Commissioners authorized the County Manager to issue a \$5,000 challenge. The challenge means that Beaufort County would contribute an additional \$5,000 to the Association, if the Association could match the \$5,000 with donations from other members. Councilman Mercer suggested an additional contribution of \$250 or \$500.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council appropriated an additional \$500 to the Highway 17 Association, subject to their completion of the \$5,000 match issued by Beaufort County.

CLOSED SESSION – UNDER NCGS § 143-318.11 (A)(3) ATTORNEY CLIENT PRIVILEGE, AND (A)(1) CONFIDENTIAL INFORMATION UNDER CHAPTERS 132 (PUBLIC RECORDS) AND 159B (CONFIDENTIALITY OF CONTRACT DISCUSSIONS) OF THE NORTH CAROLINA GENERAL STATUTES.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council entered into closed session under NCGS §143-318.11 (A)(3) Attorney Client Privilege, And (A)(1) Confidential Information Under Chapters 132 (Public Records) And 159b (Confidentiality Of Contract Discussions) Of The North Carolina General Statutes at 7:25pm

By motion of Councilman Beeman, seconded by Councilman Brooks, Council agreed to come out of closed session at 8:25pm

ADJOURN – UNTIL MONDAY, APRIL 21, 2014

By motion of Councilman Beeman, seconded by Councilman Brooks, Council adjourned the meeting at 8:35pm until Monday, April 21, 2014 at 5:30 p.m. in the Council Chambers at the Municipal Building.

**Cynthia S. Bennett, CMC
City Clerk**